

Idaho Transportation Investment Forum June 28, 2005 Meeting

Flipchart Transcription

Ideas / Thoughts for Consideration

Public transportation rises if we look at the component parts.

Planning transit services to address changing demographics

- need more statewide cooperation and coordination
- need to elevate planning in its importance/authority
- funding issues / local option authority
- local option is not the only solution
- also direct state funding

Flexible funding sources

Okay – Toll roads % to public transportation
Need a greater variety of tools in our toolbox

How do we encourage people to use public transportation?

- Our system is still fairly rudimentary
- We need inter-connectivity
- It must be a complete system
- We've had to scale back due to lack of funding, not lack of interest or desire
- There are no financial incentives for anyone to change their behaviors
- Communities are being designed for car use only. This ties into land use. We need to look at how we plan communities.
- Not all transportation is *mass*. We need to look at the needs and variety.

Larry Faulkner: Inter-agency working group of state agencies in "client" transportation and public transportation. More than \$100M per year. This working group coordinates all of this and will have a single coordinator. Primarily in Eastern Idaho, but will create a template the rest of the state may wish to emulate. Example: Using school buses to move Medicaid patients at a greatly reduced cost. Everyone needs to continue to be creative and generate more options for clients.

Idaho Smart Growth – Transit Funding 101 (This document is to be distributed to all forum participants.)

"We are going to have to accept more traffic congestion before we commit to transit."

If you want an effective transit system, you have to plan for it well in advance to preserve corridors. The time to do the planning is now!

Bio-fuels – Ethanol – Technology – Efficiency

Revenue & Financing Options

Fuel Tax

Pros:

Asset in community
Pay back a little at a time
Reps could rally around investment
Very efficient
Dedicated tax
Consumer acceptance

Cons:

No direct link between pump & services
Depreciating dollar
Perception of breaking promise - GARVEE

General Discussion:

Other options such as social engineering

Fuel efficient cars will impact financials

Charging people less for buying fuel-efficient cars

Offer an incentive to encourage people to buy and use fuel-efficient cars

Easier to sell based on fuel purchased rather than a positive incentive

VB – Vehicle Registration

Pros:

Correlation between fee & ability to pay

Money goes to local, not state

Cons:

Property tax perception

Expensive vs. cheap for same impact

More administrative upkeep

Low level of practicality

General Discussion:

Montana – capped

Washington had problems

Who would assess after a few years?

Lots of administrative work

Idaho code provides a mechanism for this based on weight
(assessors have more info about this)

Vehicle Registration Increase

Pros:

Cars are currently under-taxed

Ada county voters approved an increase

It's a saleable item

Funds would go to local highways

It would be a very fair and palatable fee

Cons:

Commercial trucks already have high reg. fees

City / County funds distribution issues

General Discussion:

Idaho cars rank 43rd highest in registration fees & fuel taxes

Idaho trucks rank 6th highest in registration fees & fuel taxes

A \$226 increase per year on cars would bring us up to the median (per Paul Sudmeier)

There's some basis in Idaho code to encourage/support/test this and other types of taxes

Driver's License Fees

Pros:

(None listed)

Cons:

(None listed)

General Discussion:

Idaho is currently losing money because the fees do not cover the costs

There haven't been any recent increases and we continue to fall behind

Fees collected for a service should pay for that service (i.e., police, public safety)

What about the National ID Card?

Title Fees

Pros:

(None listed)

Cons:

(None listed)

General Discussion:

Same as driver's license fee discussion... service for service.

Currently collected by Department of Motor Vehicles, as are driver's license fees

Are they paying for themselves? Yes Should they? And at what level?

Index Fuel Tax

Pros:

Fuel prices go up; fees go up
Increases are justifiable and understandable
This issue is well understood by the public

Cons:

Trucks are currently over-paying
Cars are currently under-paying

General Discussion:

Incremental increases are more palatable than a significant increase
The fuel tax exacerbates the inequity between truck and car amounts
It would not be necessary to raise both diesel and gas
Existing truck fees – for impact

Index Vehicle Registration

Pros:

This concept is easy to understand

Cons:

(None listed)

General Discussion:

Current registration, indexed to inflation or CPI, will go up over time
How to achieve \$11.1M increase?

Sales Tax on Fuel

Pros:

Could raise significant revenue
The City could access
It would be paid by everyone
Sales tax \$\$ can be used for public transport

Cons:

Goes against the principle of double taxation
Could be construed as an excise tax

General Discussion:

Could it be on the wholesale tax? This is sticky territory due to the double taxation issue.
It's currently being used in Nevada and California as a local option

Dedicated Sales Tax

Pros:

(None Listed)

Cons:

DOA (Dead on Arrival)

Other Options:

Employer Tax -- Correction -- does not add up -- change the \$\$
Dedicated General Sales Tax -- Currently not included on our list
Turnpike Authority
Private Partnerships
Federal Formula for Federal Land

Additional Discussion Notes on Revenue & Financing

- Incremental change happens within a generation, so try to see the generational view or perspective
- Be careful about fringe issues – NEXUS – link back to source of revenue
- The Legislature will not be open to anything that would touch the General Fund
- We need to keep focused on transportation needs
- 2007 will be a “bare bones” year. There are many significant issues facing the Legislature (Medicaid, etc.)
- We don't anticipate as much popular support
- Focus narrowly!

- Keep an open mind and continue to respond to the revenue option
- We need a sorting process
- Forget about the political ramifications for now and continue to explore

In the Holding Tank!

What resources do we have access to?

Can we reduce expenses on the materials and equipment we buy and use?

What costs can we reduce as we focus on raising money?

Next Steps

Facilitators agreed to send out a memo to the participants with the opportunity to comment further on the options listed above and to comment on those that were not covered during the meeting.